



Compensation and Workforce Impact Summary

Proposed Budget
FY 2009 - 2010



Compensation

Recommendations:

- No funding for Pay for Performance increases during this fiscal year
- Funding for Police and Fire pay plan annual increases
- Longevity pay to flat rate and phase out during next 3 years
- Durham Minimum Livable Wage increase to \$11.40 per hour



Police Compensation

Police Pay Plan: Yearly 5% increases during the first five years of employment

Yearly 3% increases after 5 years of employment

Increases occur on anniversary dates
FY 2010 Cost \$1.18 million



Fire Compensation

Yearly 3% increases on anniversary dates

FY 2010 Cost \$600,000



Longevity Merit Program

Years of Service	FY 10	FY 11	FY 12	FY13
10 but less than 15	\$ 800	\$500	\$250	0
15 but less than 20	\$1000	\$750	\$375	0
20 and more	\$1200	\$1000	\$500	0

FY2009 General Fund cost \$929,560. Employees hired or re employed on/after 7/1/1998 are not eligible for this program. FY2010 General Fund cost approximately \$752,200.



Proposed Durham Minimum Livable Wage (DMLW)

Cost for 32 employees	½ year	Full year
	\$11,865	\$23,729
With benefits	\$ 2,848	\$ 5,595
Total	\$14,713	\$29,424

- 32 employees currently make less than \$11.40 per hour
- \$11.40 per hour is the Bureau of Census rate for a family of four
- Recommend implementation effective January 2010



DMLW

Pay Grade	Current Minimum*	Proposed minimum
200	\$22,776	\$23,712
201	\$23,184	\$24,899
202	\$25,502	\$26,142

*Based on current \$10.95 /hr. DMLW



City 401(k) Employer Contribution

Temporary change to 401(k)
contribution for general employees

From 5% of base salary to 3% of base
salary

FY 2010 General Fund reduction:
\$1,455,000



Benefits Eligibility Changes for Part-time Employees

Benefits Eligibility Requirements Starting July 1, 2009:

- Increase hours from 20 to 30 hours per week to receive benefits, including health, life, dental insurance and 401(k) (If in the retirement system)
- Lower leave accrual rates (next slide)

Changes effective January 1, 2010 for existing Part-time employees

FY2010 Savings approximately \$26,000



Leave Accrual Changes for Part-time Employees

Current policy	Recommended
2-3.5 hours of sick and vacation leave earned per bi weekly pay period based on years of service begins in Month 7 of employment	2 hours of vacation and sick each bi weekly pay period for 0-5 years of service 3 hours of vacation and sick leave earned each biweekly pay period for 5 years and more of service beginning in month 13 of employment
No cap on sick leave accumulation	Cap on both vacation and sick of 60 hours; no carry over
Annual leave over 60 hours converted to sick leave in January each year	



Workforce Impact



Workforce Impact

Funding for 113 positions eliminated

31 positions occupied



Reduction-In-Force Policy

Policy was updated to clarify severance and the RIF process

Positions were selected based on program priorities, efficiencies and workload measures

Multiple positions, performance, skill sets-organizational needs after RIF considered.



Reduction-In-Force (RIF) Process

May 4 through May 11, the Human Resources Department contacted all individuals potentially affected by RIF to provide an information packet and request updated skills information

Beginning May 20, referrals of RIF employees were begun



Reduction-In-Force

Referrals have been made to departments and to Durham County for several positions

OEWD will offer job placement workshops including – financial, stress, and resume preparation

Placement review will continue for individuals not placed

Additional referrals will be made for any remaining positions for which the person is qualified.

Individuals not placed will be notified